

***BLANCHARD DUNKIRK WASHINGTON JOINT  
AMBULANCE DISTRICT***

**HARDIN COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2011 and 2010**

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Board of Trustees  
Blanchard Dunkirk Washington Joint Ambulance District  
P.O. Box 95  
Dunkirk, Ohio 45836

We have reviewed the *Report of Independent Accountants* of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Blanchard Dunkirk Washington Joint Ambulance District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 27, 2012



**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT**  
**HARDIN COUNTY, OHIO**  
**Audit Report**  
**For the years ended December 31, 2011 and 2010**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

**Blanchard Dunkirk Washington Joint Ambulance District  
Hardin County  
P.O. Box 95  
Dunkirk, Ohio 45836**

**To the Board of Trustees:**

**We have audited the accompanying financial statements of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, Ohio (the District) as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion these financial statements based on our audit.**

**We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.**

**As described more fully in Note 1, the Blanchard Dunkirk Washington Joint Ambulance District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.**

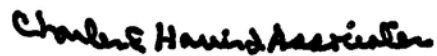
**While the Blanchard Dunkirk Washington Joint Ambulance District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the District to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.**

**In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Blanchard Dunkirk Washington Joint Ambulance District as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.**

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances as of December 31, 2011 and 2010 of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Blanchard Dunkirk Washington Joint Ambulance District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2012, on our consideration of the Blanchard Dunkirk Washington Joint Ambulance District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Charles E. Harris & Associates, Inc.**

July 20, 2012



BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2011

	Governmental Fund Types		Total (Memorandum Only)
	General	Debt Service	
<b>Receipts:</b>			
Property Taxes	\$ 32,001	\$ 7,232	\$ 39,233
Charges for Services	25,117	-	25,117
Intergovernmental	7,763	-	7,763
Earnings on Investments	24	-	24
Grants	7,420	-	7,420
Miscellaneous	668	-	668
<b>Total Receipts</b>	<b>72,993</b>	<b>7,232</b>	<b>80,225</b>
<b>Disbursements:</b>			
<b>Current:</b>			
Equipment	5,388	-	5,388
Insurance	7,332	-	7,332
Utilities	5,423	-	5,423
Salaries, Retirement, & Taxes	8,501	-	8,501
Computer Software	4,371	-	4,371
Grant Expense	1,738	-	1,738
Uniforms-Clothing	1,011	-	1,011
Bureau Workers Compensation	852	-	852
Miscellaneous	871	-	871
Fuel	1,258	-	1,258
Oxygen	432	-	432
Shop Supplies	636	-	636
MARCS Annual Fee	480	-	480
Internet Service	479	-	479
Building Maintenance	402	-	402
Office Supplies	524	-	524
Repairs - Equipment	598	-	598
Repairs - Vehicles	1,943	-	1,943
Drug License Renewal	150	-	150
Audit Expense	147	-	147
EMT Payroll	4,776	-	4,776
Medical Supplies	2,110	-	2,110
Dues	75	-	75
Educational Material	258	-	258
Outside Services	2,689	-	2,689
Postage	210	-	210
Training	1,083	-	1,083
Advertisement	10	-	10
Harding Co. Tax Assessment	12	-	12
<b>Debt Service:</b>			
Interest	-	1,252	1,252
Principal	1,200	5,980	7,180
<b>Total Disbursements</b>	<b>54,959</b>	<b>7,232</b>	<b>62,191</b>
<b>Excess Receipts Over Disbursements</b>	<b>18,034</b>	<b>-</b>	<b>18,034</b>
<b>Fund Balance, January 1, 2011</b>	<b>63,965</b>	<b>-</b>	<b>63,965</b>
<b>Fund Cash Balance December 31, 2011</b>			
Unassigned	81,999	-	81,999
<b>Fund Cash Balance December 31, 2011</b>	<b>\$ 81,999</b>	<b>\$ -</b>	<b>\$ 81,999</b>

The notes to the financial statements are an integral part of this statement

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2010

	Governmental Fund Types		Total (Memorandum Only)
	General	Debt Service	
<b>Receipts:</b>			
Property Taxes	\$ 32,978	\$ 7,590	\$ 40,568
Charges for Services	19,883	-	19,883
Intergovernmental	6,915	-	6,915
Earnings on Investments	45	-	45
Grants	5,290	-	5,290
Miscellaneous	3,439	-	3,439
<b>Total Receipts</b>	<b>68,550</b>	<b>7,590</b>	<b>76,140</b>
<b>Disbursements:</b>			
<b>Current:</b>			
Equipment	12,866	-	12,866
Insurance	7,243	-	7,243
Utilities	4,884	-	4,884
Salaries, Retirement, & Taxes	5,317	-	5,317
Computer Software	5,500	-	5,500
Grant Expense	5,975	-	5,975
Uniforms-Clothing	583	-	583
In Service Expense	490	-	490
Bureau Workers Compensation	750	-	750
Miscellaneous	1,148	-	1,148
Fuel	983	-	983
Oxygen	828	-	828
Shop Supplies	217	-	217
MARCS Annual Fee	480	-	480
Internet Service	479	-	479
Building Maintenance	850	-	850
Office Supplies	544	-	544
Repairs - Equipment	56	-	56
Repairs - Electronics	12	-	12
Repairs - Vehicles	1,243	-	1,243
Drug License Renewal	150	-	150
Audit Expense	2,458	-	2,458
EMT Payroll	1,470	-	1,470
Medical Supplies	3,523	-	3,523
Outside Services	1,045	-	1,045
Printing	1,340	-	1,340
Postage	169	-	169
Training	70	-	70
Advertisement	25	-	25
Harding Co. Tax Assessment	18	-	18
<b>Debt Service:</b>			
Interest	-	1,610	1,610
Principal	-	5,980	5,980
<b>Total Disbursements</b>	<b>60,716</b>	<b>7,590</b>	<b>68,306</b>
<b>Excess Receipts Over Disbursements</b>	<b>7,834</b>	<b>-</b>	<b>7,834</b>
<b>Fund Balance, January 1, 2010</b>	<b>56,131</b>	<b>-</b>	<b>56,131</b>
<b>Fund Balance, December 31, 2010</b>	<b>\$ 63,965</b>	<b>\$ -</b>	<b>\$ 63,965</b>

The notes to the financial statements are an integral part of this statement

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Blanchard Township, the Village of Dunkirk, and Washington Township. The District provides emergency medical and ambulance services within the District.

The District's management believes these financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

**B. BASIS OF ACCOUNTING**

The Blanchard Dunkirk Washington Joint Ambulance District prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. CASH**

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. FUND ACCOUNTING**

The District maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restriction associated with each class of funds is as follows:

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO

Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

D. **FUND ACCOUNTING** - (Continued)

**Governmental Fund Type:**

**General Fund:** The general operating fund of the District. It is used to account for all financial resources except those required by law or contract to be accounted for in a specific fund.

**Debt Service Fund:** This fund accounts for resources the District accumulates to pay bond and note debt. The District had the following Debt Service Fund:

Bond Retirement Fund – The fund accounts for an allocation of tax levy proceeds used to pay for the debt service on the tax anticipation notes.

E. **BUDGETARY PROCESS**

A budget of estimated cash receipts and disbursements is prepared by the Fiscal Officer, approved by the District Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. **Estimated Resources**

The county auditor calculates the estimated revenues available to the District. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the District. The certificate is approved by the county budget commission and sent to the District Fiscal Officer by September 1.

Prior to December 31, the District must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Fiscal Officer sends the county auditor a certificate which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Fiscal Officer identifies decreases in revenue.

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO

Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

E. **BUDGETARY PROCESS** - (Continued)

1. **Estimated Resources** - (Continued)

Budgeted receipts, as shown in Note 5, do not include the unencumbered fund balances as of January 1, 2011 and 2010. However, those fund balances are available for appropriation.

2. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

3. **Encumbrances**

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

F. **PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO

Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

G. **FUND BALANCE**

For December 31, 2011, fund balance is divided into classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **Nonspendable**

The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

2. **Restricted**

Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

Trustees can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**G. FUND BALANCE – (Continued)**

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**2. CASH AND CASH EQUIVALENTS**

The District maintains a cash and investment pool used by general fund. The Ohio Revised Code prescribed allowable deposits and investments. The carrying amount of cash at December 31, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Demand Deposits	\$ 76,949	\$ 58,920
Certificates of Deposit	5,050	5,045
Total Deposits and Investments	<u>\$ 81,999</u>	<u>\$ 63,965</u>

**Deposits:** Deposits are either: (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the District or (3) collateralized by the financial institution's public entity deposit pool.

**3. PROPERTY TAX**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Hardin County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation for the District was completed in 2010. The next revaluation is scheduled for 2013.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is usually due December 31, with the remainder payable June 20.

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**3. PROPERTY TAX - (Continued)**

Taxes collected from tangible personal property (other than public utility) received during calendar year 2011 represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied April 1, 2010 on the values listed as of December 31, 2009. Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Hardin County Treasurer collects property taxes on behalf of the District. The Hardin County Auditor remits the collected taxes to the District. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

**4. DEBT**

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Tax Anticipation Note	\$ 17,940	5.99%
Land Purchase	<u>3,600</u>	0.00%
Total	<u><u>\$ 21,540</u></u>	

In April 2009, the District issued \$29,900 tax anticipation notes to finance the purchase of a 2005 ambulance. The District's taxing authority collateralized the notes. The notes expire in May 2014.

During 1997, the District purchased land from Blanchard Township for \$12,000. The annual debt payments are \$600, with no interest, for a period of twenty years.



**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**4. DEBT – (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Tax		Total
	Anticipation Notes	Land Purchase	
2012	\$ 6,877	\$ 600	\$ 7,477
2013	6,516	600	7,116
2014	6,158	600	6,758
2015	-	600	600
2016	-	600	600
2017	-	600	600
<b>Total</b>	<b>\$ 19,551</b>	<b>\$ 3,600</b>	<b>\$ 23,151</b>

**5. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2011 and 2010 is as follows:

<u>Fund Type</u>	<u>2011 Budgeted vs. Actual Receipts</u>		
	Budgeted Receipts	Actual Receipts	Variance
General	\$84,454	\$72,993	(\$11,461)
Debt Service	7,232	7,232	0
<b>Total</b>	<b>\$91,686</b>	<b>\$80,225</b>	<b>(\$11,461)</b>

<u>Fund Type</u>	<u>2011 Budgeted vs. Actual Budgetary Basis Disbursements</u>		
	Appropriations Authority	Budgetary Disbursements	Variance
General	\$77,610	\$54,959	\$22,651
Debt Service	7,232	7,232	0
<b>Total</b>	<b>\$84,842</b>	<b>\$62,191</b>	<b>\$22,651</b>

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**5. BUDGETARY ACTIVITY – (Continued)**

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$88,607	\$68,550	(\$20,057)
Debt Service	7,590	7,590	0
<b>Total</b>	<b>\$96,197</b>	<b>\$76,140</b>	<b>(\$20,057)</b>

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Budgetary Basis Disbursements</u>		
	<u>Appropriations Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$81,318	\$60,716	\$20,602
Debt Service	7,590	7,590	-
<b>Total</b>	<b>\$88,908</b>	<b>\$68,306</b>	<b>\$20,602</b>

**6. DEFINED BENEFIT PENSION PLAN**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer plans. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 10% in 2010 and 2011 of their gross pay while the District contributed an amount equal to 14% of covered payroll for both years. The District paid all required contributions through 2011.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Ambulance Package
- Ambulance Management
- Commercial Auto
- Commercial Property and
- General Liability

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

**8. SUBSEQUENT EVENTS/PENDING LITIGATION**

Management believes there are no pending claims or lawsuits.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Blanchard Dunkirk Washington Joint Ambulance District  
Hardin County  
P.O. Box 95  
Dunkirk, Ohio 45836

To the Board of Trustees:

We have audited the financial statements of the Blanchard Dunkirk Washington Joint Ambulance District, Hardin County, Ohio (the District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated July 20, 2012, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. Also, we noted the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-BDW-01 described in the accompanying schedule of findings to be a material weakness.


### Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2011-BDW-01.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We also noted certain matters that we have reported to management of the District in a separate letter dated July 20, 2012.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees and others within the District. We intend it for no one other than these specified parties.



**Charles E. Harris and Associates, Inc.**  
July 20, 2012

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY  
SCHEDULE OF FINDINGS  
For the Years Ended December 31, 2011 and 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2011-BDW-01**

**Material Weakness / Noncompliance Citation**

Ohio Rev. Code Section 5705.09(C) requires each subdivision to establish a bond retirement fund, for the retirement of serial bonds, notes, or certificates of indebtedness. Additionally, Blanchard Dunkirk Washington Joint Ambulance District Resolution #09-01 states that a bond retirement fund is to be established for the payment of principal and interest. Furthermore, Ohio Rev. Code Section 5705.09(E) requires a subdivision to establish a special fund for each bond issue.

The District did not establish a bond retirement to account for the 2011 and 2010 tax levy proceeds of \$14,822 and the interest plus principal payment of \$14,822 on the tax anticipation note issued by the District. The accompanying financial statements and the accounting records have been adjusted to present the required funds.

The District should provide the County Auditor with a copy of the amortization schedule for the tax anticipation note. This will allow the County Auditor at each settlement date to allocate a portion of the tax levy to the Debt Service Fund. The District should review all debt resolutions, debt agreements, Ohio Revised Code, and governmental resources such as those found on the Auditor of State website to provide for establishment of all required funds. The District should also include this debt service fund in the annual report filed with the Auditor of State.

**Management Response:**

Management did provide an amortization schedule to the County Auditor but that office will not allocate property taxes to the debt service fund without a specific levy. We will continue to track the debt activity within the debt service fund and will separate it in the annual report.

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT  
HARDIN COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2011 and 2010**

<b>FINDING NUMBER</b>	<b>FUNDING SUMMARY</b>	<b>FULLY CORRECTED?</b>	<b>Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
<b>2009-001</b>	<b>Ohio Revised Code Section 5705.09(C) – District failed to establish the proper fund for the payment of debt</b>	<b>No</b>	<b>Repeated as 2011- BDW-01</b>



# Dave Yost • Auditor of State

**BLANCHARD DUNKIRK WASHINGTON JOINT AMBULANCE DISTRICT**

**HARDIN COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 11, 2012**